

**QUARTERLY TASK  
ORDER PROGRESS  
AND COST REPORT**

**JULY TO DECEMBER  
2005 AND JANUARY TO  
MARCH 2006**

(1) HOUSING FINANCE,  
INFRASTRUCTURE, AND  
CAPACITY  
ASSESSMENT: SOUTH  
AFRICA, ZAMBIA,  
TANZANIA, AND  
UGANDA

(2) HOUSING FINANCE,  
MICROFINANCE, AND  
INFORMAL  
SETTLEMENT  
UPGRADING: TANZANIA  
AND GHANA

Prepared for



Urban-Rural Linkages: Training for USAID Staff  
United States Agency for International Development  
Contract No. LAG-I-00-99-00036-00, Quick Response

Prepared by

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## QUARTERLY TASK ORDER PROGRESS AND COST REPORT

JULY TO DECEMBER 2005  
JANUARY TO MARCH 2006

HOUSING FINANCE, INFRASTRUCTURE, AND CAPACITY  
ASSESSMENT: SOUTH AFRICA, ZAMBIA, TANZANIA, UGANDA

HOUSING FINANCE, MICROFINANCE, AND INFORMAL SETTLEMENT UPGRADING:  
TANZANIA AND GHANA

Contract No.:	LAG-I-00-99-00036-00, Quick Response
Date of Issuance:	October 6, 2004
Amount Obligated Under Task Order:	\$ 377,534
Total Potential Task Order Amount:	\$ 377,534
Dollars Expended To-date:	\$ 290,230
Key Personnel:	Sally Merrill, Contract Manager and Prime Contractor Contact 202.261.5755 smerrill@ui.urban.org

### Task Order Description

#### I. HIGHLIGHTS

##### Overview and Summary.

The original SOW for this project called for assessments of the housing market and housing finance sectors in South Africa, Zambia, Uganda, and Tanzania. During 2004, USAID contracted the Urban Institute (UI) to carry out this project entitled Housing Finance, Infrastructure and Capacity Assessment. Sally Merrill, UI project manager, engaged four senior South African housing experts: Mary Tomlinson, David Gardner, and Tanya Zack, consultants, and Sharon Biermann of CSIR. In addition, local housing experts were contracted in Zambia (Wilma Nchito); Uganda (Abdullah Abdillahi), and Tanzania (Aldo Lupala and Hermes Mutagwaba). This ongoing project also reflected the goals of the President's Mortgage Market Initiative for Africa, which has been managed by the U.S. Department of Treasury.

The SOW has since been altered to accommodate the goals of the AUHF (African Union of Housing Finance), which has received funds from the World Bank's Cities Alliance Program. During 2005, the World Bank's Cities Alliance (CA) agreed to fund a proposal submitted by the African Union of Housing Finance (AUHF) and the South African Banking Council (now Association), on facilitating the development of appropriate housing finance products to support informal settlement upgrading activities in Ghana,

Tanzania, Swaziland and South Africa<sup>1</sup>. The Urban Institute was asked to address these issues in Ghana and Tanzania. This additional SOW was formulated with the intention of aligning the two projects in response to a request by Mike Keshishian(USAID), on behalf of Marcia Glenn, the USAID Africa Regional Urban Advisor. The goal is to provide a conceptual framework and technical approach suitable for both the relatively poorer and under-banked populations of Ghana and Tanzania and the different circumstances of South Africa, where extensive housing policy and institutional development, focused on addressing the housing finance needs of the historically disadvantaged population has been carried out over the past decade.

During the reporting period of this report – July 2005 through March 2006 - the Urban Institute has provided the following reports:

- *Mortgage Market Development in Uganda, Zambia, and Tanzania: Executive Summary*, Draft, October 2005 (done for USAID/Treasury)
- *Housing Finance, Microfinance, and Informal Settlement Upgrading: An Assessment of Ghana*, Sally Merrill and Mary Tomlinson, Draft, November 2005 (done for AUHF/USAID)
- *Housing Finance, Microfinance, and Informal Settlement Upgrading: An Assessment of Tanzania*, Sally Merrill and Mary Tomlinson, Draft, January 2006 (done for AUHF/USAID)

**Project Coordination.** Ongoing discussions have been held to liaise with projects or studies already underway in several countries. Specifically, USAID and Treasury have discussed existing or potential endeavors in all the countries involved. USAID and OPIC are engaged in housing projects in Zambia. The U.S. Treasury, together with U.S. Treasury advisors in Uganda and the IFC, are discussing projects in Uganda, with the goal of making strategies and resources complementary and supportive. Sally Merrill has also conferred with William Donovan in Uganda, as to advice regarding program recommendations. Finally, the AUHF, supported by USAID and the Cities Alliance, will use the reports noted above as input to ongoing slum upgrading activities. This additional SOW was formulated in response to a request by Mike Keshishian on behalf of Marcia Glenn, the USAID Africa Regional Urban Advisor.

## II. PROGRESS OF MAJOR ACTIVITIES

Project activities have been carried out as follows:

- **South Africa.** Mary Tomlinson and Tanya Zack, using both extensive existing reports and interviews with key players, carried out the assessment of the low income housing and housing finance sectors in South Africa during the period September 2004 – January 2005. Their draft report, submitted in January 2005, was reviewed by Sally Merrill. The revised draft was submitted on March 15 and was sent to Marcia Glenn and Steve Bernstein.
- **Uganda, Zambia, and Tanzania.** The report, authored by David Gardner, Sharon Biermann, and Sally Merrill, is now in draft form, but has not yet been submitted to USAID for two reasons. Since the information for this report was gathered, two more inputs have been made available. First, the IFC

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<sup>1</sup> This SOW applies to South Africa, Tanzania and Ghana

has shared its proposed plans for mortgage market development in Uganda. Thus, a lengthy Executive Summary for this report was prepared, incorporating this information. Second, the additional work for Tanzania (noted below) was carried out. Thus the report will be updated to reflect the more recent and complete information for Tanzania. (As noted below, it would also be desirable to update the information for Uganda and Zambia).

- **Tanzania and Ghana.** These reports, authored by Sally Merrill and Mary Tomlinson, have been sent to AUHF, and copied to USAID. They have been used to support additional work in these countries to assess pilot projects in slum upgrading that could potentially include housing microfinance. Richard Martin visited Tanzania and Ghana following receipt of these reports.

#### Travel:

Travel to Tanzania and Ghana by Sally Merrill and Mary Tomlinson, took place during Q4, 2005

### III. DELIVERABLES AND REPORTS

During the period of this report – July 2005 through March 2006 - the Urban Institute has provided the following reports:

- *Mortgage Market Development in Uganda, Zambia, and Tanzania: Executive Summary*, Draft, October 2005 (done for USAID/Treasury)
- *Housing Finance, Microfinance, and Informal Settlement Upgrading: An Assessment of Ghana*, Sally Merrill and Mary Tomlinson, Draft, November 2005 (done for AUHF/USAID)
- *Housing Finance, Microfinance, and Informal Settlement Upgrading: An Assessment of Tanzania*, Sally Merrill and MaryTomlinson, Draft, January 2006 (done for AUHF/USAID)

### IV. PROBLEMS OR DELAYS AFFECTING THE TASK ORDER PERFORMANCE

**No-cost Extension.** No-cost extensions have been granted by USAID to extend the project through September 2006 in order to accommodate the additional requests for reports. Sally Merrill will confer with Marcia Glenn and Sarah Wines on next steps to complete the entire set of reports (see below).

### V. WORK PLANNED FOR NEXT REPORTING PERIOD

For the reporting period Q2, 2006, the full draft report for Uganda, Zambia, and Tanzania will be submitted to USAID. The current draft will be expanded to accommodate three recent inputs: (1) the updated information on the mortgage market in Tanzania; (2) the IFC proposals to assist with secondary market development, first in Ghana and next in Uganda; and (3) a proposal to help provide long-term funds for mortgage lending in Uganda being prepared by William Donovan, US Treasury advisor in Uganda.

It would also be helpful to carry out several next steps to help ensure that the information in these reports can be as useful as possible. In this light, we are recommending the following:

- Update the information on Zambia and Uganda to be in line with the more recent information from Tanzania;
- Adopt a convenient format and publish the reports together as a series on mortgage markets in Africa. Thus, the reports should be disseminated in a convenient and coherent form ;
- Confer with the IFC and the Treasury proposal in Uganda to help with donor coordination.

As noted above, Sally Merrill will confer with USAID on these, or other, next steps.

#### **VI. SPECIFIC ACTION REQUESTED**

None at this time.